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DEGREE OF ORGANIZATIONAL CHANGE
AND JOB INSECURITY

A Thesis
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Science
in
Psychology: Industrial/Organizational Option

by
Heidi Anne Schmitz

June 1997


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AND JOB INSECURITY

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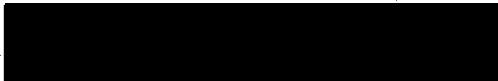
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ABSTRACT

The present study investigated the relationship between degree of organizational change and feelings of job insecurity and the extent to which such a relationship may be moderated by the individual differences of tolerance for ambiguity, locus of control, and self-efficacy. Surveys assessing these variables were completed by 175 employees from fifteen different organizations from the West and Midwest regions. Perception of degree of change was significantly correlated with job insecurity. No moderating effects were found, but perception of change and self-efficacy emerged as significant predictors of job insecurity. Results are discussed in relation to the concept of perception of degree of change versus actual degree of change and subsequent feelings of job insecurity.

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INTRODUCTION

Many organizations in today's business world have entered the ring in attempts to become the biggest, most profitable company of their industry. However, there are many obstacles to overcome. For example, the organization and its employees must be able to handle sudden and unanticipated events, fight back when appropriate, struggle to stay alive, and strive to remain stable. Determining the "winner" after a major organizational change (i.e. merger, downsizing, reorganization) is a difficult task. In fact, it is questionable if there is a clear victor when considering the devastating effects it has on employees.

One thing is for certain, organizational change has become the rule rather than the exception. As a result, the atmosphere is dominated by uncertainty and anxiety (Furnham & Ribchester, 1995). Although change has been present in organizations throughout the years (Armstrong-Stassen, 1994), research has only recently begun to realize its exhausting effects on the human element. In fact, some research has indicated that the human element is the determining factor in the final success of an organizational change (Schweiger & Ivancevich, 1985).

Nevertheless, research in regards to the human element remains limited. Evidently, focusing on the financial/strategic aspects has caused many to overlook what is happening in the human arena (Newman & Krystofiaks, 1993). Change

itself is not necessarily bad. But the consequences of organizational change and its uncertainty have the potential to be devastating to the employees and ultimately, the organization. The management of employees also tends to be very challenging due to the limited research and awareness concerning the human element before, during and after an organizational change.

The desire to control and manage change more effectively requires a greater understanding of organizational change and its consequences. Due to many personality differences, the impact of an organizational change is likely to vary from individual to individual. Therefore, caution should be taken in making any generalizations. The present study directs its efforts towards gaining a deeper understanding concerning degree of organizational change, the consequence of job insecurity, and how it may vary for individual differences, namely, tolerance for ambiguity, locus of control, and self-efficacy.

Open Systems Theory

The open systems theory allows for a more complete understanding of organizational change, the organization as a dynamic whole, and its critical elements. Katz and Kahn (1978) presented the open systems theory for this reason and demonstrated the involvement of these aspects and their importance. Fishman and Cherniss (1990) recognize the open systems theory as an effective means to understanding orga-

nizations as social systems. It presents a framework characterized by an input-throughput-output loop, where there exists a close relationship between a structure and its environment. This framework involves constant input into the organization from the environment which is absolutely critical for the system to survive. As a result of the inputs, the organization or system produces an outcome that will potentially be used by an outside group or system. This is otherwise known as the throughput and output. In short, this framework describes the process of depositing energy into an organization, its transformation, and ultimately putting it back into the environment again - a cycle that helps to maintain the survival of a system/organization (Katz & Kahn, 1978).

It is absolutely necessary for organizations to adopt an open systems approach. It is important because it allows the organization to understand the existing external factors and the dynamic environment which is constantly facing and introducing change. This results in the organization remaining in a constant state of flux and uncertainty. Because the open systems approach requires an understanding of the environment, the organization is capable of making appropriate changes within its boundaries in order to minimize any opposition with the external factors. Consequently, this helps the individual elements of the organization to constantly strive to maintain an equilibrium with one

another. Evidently, the open systems approach provides a more complete understanding of the environment and external factors which ultimately enables the organization to function effectively.

Fishman and Cherniss (1990) define an organization as "a group (or groups) of individuals who regularly interact together to achieve some shared explicit purpose or goal through the expenditure of differentiated and coordinated effort" (p. 172). Essentially, organizations can best be described as "complex entities" (Bowditch & Buono, 1982). There are many parts which are formed into a functioning whole. More importantly, they not only must be aware of each other, but must also work together in the most harmonious manner possible. This nevertheless is challenged by change.

Change can take many different forms, yet each kind shares some similarities. Change, according to Bridges (1986, p. 25), happens when "something starts or stops, when something that used to happen in one way starts happening in another way..." and the timing of it could occur at a particular point or throughout several different stages. Using this definition, it is evident that change has become the rule rather the exception among organizations today. This is evidenced as beginning in the 1980's where the era ushered in accelerated change. The types of changes varied from changing technology, changing work force competition,

mergers, takeovers, restructuring, and downsizing (Armstrong-Stassen, 1994).

The term "organizational change" does not possess a consistent definition within the literature. One view is "a kind of chaos...the number of variables changing at the same time, the magnitude of the environmental change, and the frequent resistance of human systems create a whole confluence of processes that are extremely difficult to predict and almost impossible to control...it can be structural, economic, technological, and demographic, and it can be planned or managed..." (Burke & Litwin, 1987, p. 523). The complexity of change is tremendous and each employee reacts to change differently. Therefore each individual has different requirements and needs to cope with the "chaos" associated with organizational change (Bridges, 1988).

Unfortunately, it is generally difficult to predict change. To complicate matters, organizational change can be triggered by countless events. Potential catalysts for change may include the following: (1) a crisis - anything from death to competition, (2) a problem indicating declining effectiveness within the organization, (3) a new trend (an opportunity) that is forecasted, and (4) change that is used as a "power tool" benefiting those in influential positions (Dunlap, 1994). These identified causes of change constitute only a few possible reasons that force organizations to change.

An organization adopting an open systems framework also adopts the necessity of change in order to be adaptive and survive (Bridges, 1988). The environment is constantly changing and presenting organizations with new demands. Thus, an organization must acknowledge the new demands in order to maintain an equilibrium/fit with the environment. Because every organization is unique and possesses its own behaviors, norms, values, etc., each will need to respond differently. The change may be implemented through a merger, downsizing, restructuring, a technological change, etc. Therefore, the implementation of a technological change, restructuring, downsizing, or a merger will serve as evidence for the differences in organizations.

Types of Organizational Change

Mergers/Acquisitions

Mergers and acquisitions are one form of organizational change. A description may consist of companies closing their doors, jobs being cut to increase efficiency, and the implementation of terminations as a result (Astrachan, 1995). Unfortunately, this is fairly descriptive of our businesses today. In fact, mergers/acquisitions are viewed as a common occurrence and are looked upon as "both a phenomenological and significant life event for the organization and its employees, and a major long-term process of change and integration" (Cartwright & Cooper, 1992, p. 6). Acquisitions have become noted as strategic moves for orga-

nizations desiring growth or redirection (Elsass & Veiga, 1994). However, despite their common occurrence, fewer than half are considered to be successful (Haunschild, Moreland, & Murrell, 1994).

Despite all the publicity mergers/acquisitions have received in the past decade, mergers actually date back 100 years. According to Stearns and Allan (1996), the United States has experienced four waves of corporate merger activity - at the turn of the century, again in the 1920's, the 1960's, and the 1980's, where record levels were reached. For example, Wells Fargo's acquisition of Crocker International Bank demonstrated the abrupt terminations involved in many of the acquisitions. On the day the deal closed, 1,600 managers were fired, which included nearly all of Crocker's top executives. An additional 3,000 jobs were expected to be eliminated from Crocker shortly thereafter (Sanderson & Schein, 1986). Later in 1993, mergers/acquisitions caused another 600,000 jobs to be lost, with 68,000 occurring in November alone. The pace of this trend continued at an even faster pace, when in the first seven months of 1994 there were 615,000 job cuts in American firms (Staff, 1994).

Merger activity in the United States has become so widespread and common that it has reached the point where few employees can "safely assume immunity from some sort of business combination" (Robino & DeMeuse, 1985, p. 33). In regards to these periods of layoffs, *The Economist* (Staff,

1994) reported that "of the firms cutting back in any given year, two-thirds do so again a year later" (p.59). Consequently, this pattern has caused organizational members to be convinced that companies will not return their loyalty.

Each organizational change is unique in its own way, and so are the reasons for a merger/acquisition taking place. However, as far as the general public is concerned, the reasons conveyed generally involve the purpose of increasing profitability, efficiency, or effectiveness, or all three. Many times this may be the case as the dominant party is usually seeking to increase its power as manifested in some financial form (i.e. increased market share, acquired technology, or economics of scale). But in fact, there seem to be countless other reasons. Many times a merger will be used as a means to improve performance, control costs, or solve disputes (Haunschild, Moreland, & Murrell, 1994). In addition, mergers may possess the ultimate goal of achieving corporate growth, economies of scale, vertical integration (Buono, Bowditch, & Lewis, 1985) and corporate diversity and growth (Buono, Bowditch, & Lewis, 1988). The list continues with the following: expanding corporate size, power and economic health; an alternative to internal growth; quick way to enter new markets and/or acquire technology; protect profits from taxation, portfolio additions (good places to put investment capital); and a relatively cheap way to expand quickly (Bastien, 1987).

Unfortunately, this rather lengthy list appears to be only the half truth. There are also unstated psychological motives that play a significant role in triggering a merger. Cartwright and Cooper (1992) indicated several of these motives. First, it was suggested that a merger may be initiated and followed through in order to satisfy needs of an individual or single group of individuals, rather than taking into account the interests of the organization as a whole with a longer term perspective. This appears to be equivalent to the "power" trigger of an organizational change suggested earlier. A second motive of a merger was stated as the consequence of fear of obsolescence. Third, referring back to the interests of a few individuals, it was further submitted that those who are recognized are always looking for new opportunities. They continuously strive to move organizations onwards and upwards. Another unstated motive is an egotistical need to exercise power.

Reviewing the list of reasons for a merger, it is very difficult, almost impossible, to find a reason indicating that such a change will improve the work lives of the people. Yet, organizations continually preach that people are their most important asset. At the same time, research has indicated that human resource considerations play a relatively small role in a merger/acquisition (Robino & DeMeuse, 1985). Nevertheless, the U.S. continues to merge and take-over companies they believe may have the potential to help

the acquiring company press ahead of its competitors. Unfortunately, research has indicated that the potential benefits generally do not materialize - in fact, it has been repeatedly demonstrated that mergers have an unfavorable impact on profitability (Cartwright & Cooper, 1993). Instead of mergers being associated with the initial hopes, goals, or outcomes of greater profitability, they have become linked to worse strike records, higher absenteeism, and poorer accident rates (Sinetar, 1981).

Considering the research available, it is surprising that "only recently have researchers begun to study the impact on employees, an issue critical in determining the success or failure of an acquisition" (Buono, Bowditch, & Lewis, 1985, p. 478). Cartwright and Cooper (1992) proposed several reasons for the explanations associated with an unsuccessful merger, half of which are directly related to the people and people management: (1) understanding the difficulty of merging two cultures, (2) understanding problems of skill transfer, (3) demotivation of employees of the acquired company, (4) departure of key people in the acquired company, (5) too much energy devoted to "doing the deal" and not enough post-acquisition planning and integration, (6) decision-making delayed with unclear responsibilities and post-acquisition conflicts, (7) neglecting business, and (8) insufficient research about the acquired company. Schweiger and Denisi (1991) state, "...the prob-

lems that arise from uncertainty regarding the organizational and personnel changes that usually follow mergers and acquisitions have received considerable attention...uncertainty creates stress for employees but cannot be easily avoided since many of the changes associated with mergers and acquisitions are evolutionary, and final outcomes are not known during negotiations..." (p. 110). Schweiger and Ivancevich (1985) support this as they report that in most cases, "it is the human element that is influential in determining the eventual success of the merger" (p. 47). Moreover, the human impact of mergers and acquisitions can be devastating.

A genuinely dedicated employee, still stunned, arrives home later than usual one Friday afternoon. His children stop their play and run and greet him. His wife meets him at the door. Today, he tells them, the company which has provided his livelihood for the past twelve years has been purchased by a huge conglomerate. They may ask him to move to another state; he may have to take a demotion. He could lose his job. Their lives, family ties, planned career paths are all suddenly at risk. On this Friday afternoon, the only certainty is that nothing is certain (Robino and DeMeuse, 1985, p. 33).

As indicated, it has become evident that there is a significant need to go beyond strategic, financial, and operational considerations and examine the organizational dynamics and personal issues that emerge during the merger process (Bowditch & Buono, 1982). A merger presents a

situation where the stakes are high, the number of people involved is large, the emotional context intense, and the timing is usually unpredictable. The result - dysfunctional interactions and conflict. The researchers additionally suggested that even non-threatening transformations, such as a "friendly" merger, can take their toll on individuals. Organizational change and its uncertainties usually result in high levels of stress, tension, anxiety, etc. Similarly, change itself is associated with anxiety, tension, and resistance, not to mention the timing and rapidity usually present in a merger. Despite the fast pace of all the organizational changes occurring, mergers and acquisitions differ from any of these other changes according to three different dimensions: (1) speed of change, (2) scale of change, and (3) the critical mass of the unknown presented in both parties (Cartwright and Cooper, 1992).

Buono and Bowditch (1985) presented five psychological repercussions of organizational change following a merger, which include, uncertainty and anxiety; grief, loss and the trauma of termination; preoccupation and obsession with the combination; eroded trust levels; and self-centered activities.

Uncertainty and anxiety appear to be the predominant consequences in a merger (and most any organizational change). According to Sinetar (1981), the feelings experienced during a major life change also surface when companies

merge. In addition, any departure from our normal lifestyle acts as a trigger for stress and insecure feelings (Sinetar, 1981). Many individuals are presented with a period of uncertainty and insecurity, which also present an array of consequences (Schweiger & Ivancevich, 1985). Mergers present a situation with increased levels of ambiguity and a general lack of clarity about what the future holds for them (Buono & Bowditch, 1989). This carries over in their perception of their own job security (Bastien, 1987). By its very nature, a merger introduces ambiguity into the lives of the average worker.

Downsizing

Downsizing is another form of organizational change, which has also affected organizations since the 1980's, yet it proceeds without a uniform definition. The following are definitions of downsizing cited in the literature:

a set of activities, undertaken on the part of the management of an organization, designed to improve organizational efficiency, productivity, and/or effectiveness (Freeman & Cameron, 1993, p. 12).

a reduction in the work force, but also eliminates functions and redesigns systems and policies to certain costs... (Cameron, Freeman, & Mishra, 1991, p.57)

a systematic reduction of a work force resulting from a combination of impending or potential threat and a generalized belief that the organizations structure is overgrown with excess jobs (Buch & Aldridge, 1991, p. 1).

the deliberate and systematic reduction of a work force, frequently involving terminations, transfers, early retirement programs, and hiring freezes (Tombaugh & White, 1990, p. 32).

A reason for the lack of a precise theoretical construction for downsizing may be due to the confusion that still persists between the concepts of organizational decline and layoffs. These are distinct concepts that should not be used interchangeably.

Cameron and Freeman (1990) noted the definition of decline presented throughout the literature. Decline is shrinking markets and increased competition, budget cuts, loss of student enrollment, loss of legitimacy, maladaptation to a changing environmental niche, stagnation and deteriorating organizational performance (p. 13). Such a term has negative implications in what happens to an organization. Moreover, downsizing is not equivalent to layoffs. Downsizing is not strictly a process of laying off personnel. Other alternatives to reducing work include eliminating functions, hierarchical levels, or units (Cameron, Freeman, & Mishra, 1991). In short, downsizing is more of an organizational analysis, whereas, layoffs are more of an individual analysis.

Nevertheless, downsizing has four key attributes which help to clearly distinguish it from organizational decline and layoffs. First, it is an intentional endeavor, which is viewed as organizational action. A second attribute in-

volves the reduction in personnel, followed by efforts to improve the efficiency and/or effectiveness of the organization. And finally, downsizing affects work processes. Subsequently, a few common downsizing activities include restructuring and eliminating work.

Further, downsizing has challenged several assumptions held concerning organizations and management by both managers and scholars. As the assumptions are presented, it should be clear as to how downsizing challenges each of them. First, bigger means better; having more employees, products, plants, money etc. is better than having fewer or less. Second, unending growth is a natural and desirable process in the organizational life cycle development. Third, adaptability and flexibility are associated with slack resources, loose coupling and redundancy. And the fourth assumption included that inconsistency and congruence are hallmarks of effective organizations - strategy, structure, culture, and systems should all fit together synchronously to achieve effectiveness (Cameron, Freeman, & Mishra, 1991). The four targets presented were not only contrary to Katz and Kahn, but presented in ways challenging the assumptions. For example, organizational downsizing often decreases the size of the units without structural change; decrease the number of parallel units (closing branches, i.e.); decrease the differentiation (i.e. produce greater generalizability so tasks are more clustered); and finally,

there may be a divestiture or dissolution involved (Freeman & Cameron, 1993).

Another reason for a lack of a definition may be due to the fact that there have been very few systematic empirical studies published. This is surprising considering the number of jobs that have been eliminated. For example, employee downsizing, in the form of layoffs, eliminated over 3.5 million jobs in Fortune 500 companies over the past 10 years (Dunlap, 1994). In addition, Tombaugh and White (1990), reported figures involving the organizational change of downsizing where both mid-management and lower level positions have been reduced. Since 1982, Mobil corporation reduced its salaried work force by 17% and the DuPont company by 15%.

Downsizing, like mergers and acquisitions, may be triggered by a number of factors, some of which are very similar. Haunschild, Moreland, and Murrell (1994) suggested the single factor of saving money. Nevertheless, the list of reasons, is indeed, large. Further reasons include international competition, the globalization of American companies, pressure for earning growth in mature markets, stock price-driven strategic planning, and privatization trends (Buch & Aldgridge, 1991). In fact, mergers and acquisitions oftentimes lead to downsizing as there is excess personnel once the operations have been consolidated (Appelbaum, 1991). Also included in the list of reasons

include technological innovations resulting in productivity improvements with less human intervention, international competition leading to product and employee redundancy, and finally, slow economic growth and rapidly changing marketplace resulting in the need to be cost effective. Regardless of the reason, downsizing, is a difficult task (Raber, Hawkins & Hawkins, 1995). However, if handled rationally, it can lower costs and increase profitability. This is made possible, for example, through the elimination of unneeded layers of middle management, controlling for duplication and overlaps, and streamlining decision making (Applebaum, 1991).

Each type of organizational change possesses similarities in terms of human impact. Mergers and downsizing have very similar effects on the employees, and appear to be more similar than different. The list presented in the literature is rather lengthy, however, uncertainty again proves to be a significant repercussion of organizational change. As a result of experiencing downsizing, there often may be diminished employee morale, decreased trust (in management), reduced productivity, anger, worry, burnout, threat of a job loss (which leads to poor mental health) and uncertainty (Raber, Hawkins, & Hawkins, 1995). In addition, there is an increase in ambiguity, role stress, ineffective problem solving, unclear policies and procedures, poor communication, lack of performance standards (Tombaugh & White,

1990), job insecurity, fear, decreased effort, increased turnover, and rigid behaviors (Buch & Aldridge, 1991).

Without doubt, organizational change, regardless of the type, is followed by very similar outcomes concerning the employees, however, to different degrees. It is the severity of change that then determines how much the effects are felt by the employees. It is the uncertainty and fear of the unknown which causes the greatest strain among the employees.

Job Insecurity as an Outcome of Organizational Change

"What is going to happen to me?" This is a common question generated by anxiety during the implementation of an organizational change (Nadler, 1982). Uncertainty, nevertheless, has become too familiar of a feeling among employees in the work force today. It is defined as "an individual's perceived inability to predict something accurately" (Milliken, 1987, p. 134). Furthermore, it appears that an individual is likely to experience uncertainty when possessing the perception that he/she is lacking sufficient information to predict accurately or is unable to discriminate between the relevant data. Additional weight often is added to the feelings of uncertainty when an organizational change creates a climate of secrecy with a lack of communication. Poor morale and job dissatisfaction, subsequently, accompany uncertainty (Nelson, Cooper, & Jackson, 1995).

Based on an open system approach, change is constant

and the organization strives for the achievement of a "good fit" with the environment. At this point, the organization sees a new future state that is unstable or uncertain. It is "a period during which the current state is being disassembled but the future state is not fully functional" (Nadler, 1982).

Moreover, in an organizational change, the key elements (in the organization) must fit congruently. According to Nadler, these key elements include the task/work to be done, the individuals who are organizational members, the formal organizational arrangements (i.e. processes, systems, rewards, etc.) and the informal organization (i.e. patterns of leadership, conflicts, norms, culture, etc.). Without an appropriate fit, many problems are likely to emerge. Therefore, with employees being one of the key elements, they consequently experience great worry, or uncertainty, during an organizational change concerning the continuity of one's job (Dekker & Schaufeli, 1995).

The types of organizational change discussed, mergers and downsizing, often involve the dismissal of many jobs and very poor communication to the employees on what the future holds, for the organization, and for each particular worker. Not only does the uncertainty factor become evident, but one's perception of their own job security also becomes a critical issue in their life. As illustrated, these massive organizational changes leave psychological imprints on

employees. The amount of ambiguity is greatly increased, many employees are losing their jobs, and others are left to wonder if they will be next. According to Roskies and Louis-Guerni (1990), "one of the most radical changes in the work place in recent years has been the transformation of traditionally secure managerial jobs into insecure ones" (p. 345). Many U.S. organizations have been confronted with such change and this trend is likely to persist in the years to come. However, it is the subsequent impact of the organizational change that will ultimately determine the organization's survival in the long term (Armstrong-Stassen, 1994).

Therefore, it is critical to understand job insecurity, a primary outcome of change. It is important that organizations at least possess an awareness of this variable in what meaning it holds to all those affected by a change. Concern about employment continuity could negatively affect work commitment, and in turn, ultimately affect the organization (Roskies & Louis-Guernin, 1990). This is in sharp contrast to the Japanese who emphasize "lifetime employment" and employee participation in decision-making (Mooney, 1984). In short, these feelings of job insecurity appear to be justified concerning the rate at which organizations have been downsizing and merging with increasing frequency over the past decade (Ashford, Lee, & Bobko, 1989). However, job insecurity remains poorly understood (Greenhalgh, 1984).

Although the job insecurity construct has not been researched and studied extensively, early theorists such as Malsow, Herzberg, and Super, had previously questioned this construct (Greenhalgh & Rosenblatt, 1984). Together, the differing views have been influential in attempting to move toward an understanding of job security that is less ambiguous. In fact, it has been said that these theorists provided "the blue print" for much of the management and organizational development that occurred in the 1960's and 1970's (Bowditch & Buono, 1982, p. 14).

Abraham Maslow (1954), known for Maslow's Need Hierarchy, proposed that a stable hierarchy of needs, more or less, explained an employee's motivations (Mooney, 1984). In other words, as a need is satisfied, the individual then strives to fill the need at the next higher level. Therefore, following the first level, the next higher level of needs is safety and security (Bowditch & Buono, 1982). In fact, safety was defined as "security, stability, dependency, protection, freedom from fear...need for structure, order..." (p. 13). Not only was the concept of security addressed, but it was also applied to the organizational setting where Maslow suggested, "we can perceive the expressions of safety needs...in such a phenomena as...the common preference for a job with tenure and protection..." (p. 13). As a result, this theory consequently captured the attention of many others. Mooney (1984) also reported Maslow's Need

Hierarchy as a starting point in attempting to get at the heart of the job insecurity construct. Consistent with Bowditch and Buono (1982), Mooney emphasized that in order to achieve or fill the "higher order needs" (affiliation, status, and self-actualization), one must satisfy the more basic security needs.

Fredrick Herzberg (1959) also acknowledged job security in his proposed motivator-hygeine theory, also known as the two factor theory. Like Maslow's Need Hierarchy, Herzberg's theory examined employee motivation. More specifically, the two factor theory suggested that motivation is composed of the following factors: (1) those issues and activities that prevent dissatisfaction, but do not propel workers to grow, and (2) those (issues and activities) that actually motivate workers to grow (Bowditch & Buono, 1982). Herzberg then interviewed workers in order to determine what the sources for satisfaction and dissatisfaction were. As a final conclusion, Herzberg classified security "to indicate those features of the job situation which lead to assurance for continued employment, either within the same company or within the same type of work or profession." More importantly, it is clear that the same holds true for employees today.

Super (1957) proposed yet another view of security and incorporated it into his already developed occupational development theory. He furthered the issue of security and

considered it "...one of the dominant needs and one of the principal reasons for working..." (p. 439). In addition, he suggested that subjective meanings attributed to security would vary, but the main components (of job security), seniority and a stable company, would remain consistent (Greenhalgh & Rosenblatt, 1984).

Each of these theories project a sense of control or predictability. It is very important for individuals to have a perception that they are in control and have the ability to predict events in their lives. However, it is when there is no sense of control or predictability on one's life that strong reactions will be induced, with one very strong effect - feelings of job insecurity (Ashford, Lee, & Bobko, 1989). Greenhalgh and Rosenblatt (1984) reported changes such as mergers, downsizings, restructurings, and so forth, as sources of threat usually result in perceptions of job insecurity. Equally important, Schweiger and Ivancevich (1985) argued that mergers negatively affect individuals by creating uncertainty and insecurity.

Greenhalgh (1983) simply defines job insecurity as "fear." Greenhalgh & Rosenblatt (1984) adopted a definition which explains job insecurity as "a feeling of powerlessness to maintain desired continuity in a work situation" (p. 442). Similarly, Gutchess (1985) presents the term employment security as "the positive actions taken by companies and/or unions to assure that the people associated with them

- employees or union members - have an opportunity to work in a productive job for as long as they want" (p. 275). In addition, job insecurity can be viewed as objective or subjective. Objective job insecurity is "organizational or departmental brittleness" according to Dekker and Schaufeli (1995), and brittleness is defined as "fragile, apt to break" (p. 58). This subsequently is applied to the organizational setting where it refers to a department, for example, that is threatening to close. On the other hand, subjective job insecurity is described as "the internal experience of the individual working within the brittle organization" (p. 58).

In the beginning, employees and employers generally engage in a psychological contract (Sanderson & Schein, 1986). Generally, this is seen as a link between the two parties represented by the expectations of each (Bowditch & Buono, 1982). It is mostly unwritten and unverbilized. The employee is expected to work hard and the employer, in return, provides job security. However, such a contract is rarely upheld today with the mergers, downsizing, etc. that are taking place. This is significant because these contracts gave the employees an invaluable perception - a sense of mastery - a sense of control and predictability over life's events (Ashford, Lee, & Bobko, 1989). Similarly, Dekker and Schaufeli (1995) argued that "employment is a resource for personal and social safety, but also for the

enhancement of the self... a fundamental goal after which people strive...threatened loss of such a resource is inherently stressful" (p. 50). However, the different forms of organizational change discredits this contract, producing heightened perceptions of job insecurity (Ashford, Lee, & Bobko, 1989).

During an organizational change, not only is information limited, it may also be inaccurate. It is this information that may be the source of employees experiencing insecurity (Schweiger & Ivancevich, 1985). Dekker and Schaufeli (1995), presented the job insecure phase (termination is more or less anticipated), as possibly being the greatest stress point in the unemployment process. In addition, Schweiger and Ivancevich (1985) suggested that "people tend to respond to their perceptions and conceptualizations of the changes rather than the actual changes themselves." An unclear threat (i.e. organizational change), not necessarily the characteristics of the situation, tends to be in the "eye of the beholder," and ultimately determines whether the situation will be judged as stressful or not (Roskies, Louis-Guernin, & Fournier, 1993). This basically is Lazarus' Theory of Psychological Stress. Consequently, the different appraisals of a situation may stem back to a number of sources such as individual differences, past work history, differences in current work situations and so forth.

Organizational changes, such as mergers and downsizing, are frequently accompanied by the termination of jobs. It is this involuntary loss of a job which induces feelings of job insecurity (Greenhalgh & Rosenblatt, 1984). However, it has been suggested that job insecurity does not emerge only during those times when an employee fears losing their job (Roskies & Louis-Guernin, 1989). Job insecurity is present during the potential for a demotion, degeneration of work conditions, or the long-term prospect of eventual job loss facing an individual.

Moreover, the severity of the perceived threat is a major determinant of the level of job insecurity experienced (Greenhalgh & Rosenblatt, 1984). In other words, is the perceived threat a permanent job loss? If this is the case, feelings of job insecurity would be intensified to a greater extent than would a threat of temporary job loss. Further, losing one's complete job versus certain job features would create a greater perception of job insecurity in that the individual could potentially lose everything. In short, organizational change is considered a perceived threat as it fosters unpredictability and a lack of control. But, it is the different perceptions of people that constitute the sources of job insecurity (Greenhalgh, 1983).

Consequences of Job Insecurity

The surveyed literature concerning job insecurity and its outcomes or consequences is fairly consistent. However,

individual differences may explain the level of insecurity one may experience. It is possible that one's personality disposition may influence one's coping strategy, and decrease the feelings of job insecurity (Roskies, Louis-Guernin, & Fournier, 1993), or possibly magnifying the stressors.

In such a case as organizational change, its initial goals and efforts are generally aimed toward increasing productivity, effectiveness, efficiency, etc. Nevertheless, because job insecurity is a dominant consequence, more organizational costs develop than what was initially forecasted (Ashford, Lee & Bobko, 1989). Essentially, the foundation of all the costs or consequences of job insecurity lie within the concern of the affective and attitudinal bond between the individuals and/or organizations (Ashford, Lee, & Bobko, 1989). At the beginning, the individual and organization generally enter into a psychological contract that consists of an exchange of expectations. During an organizational change, such a contract is usually breached and the individual's sense of attachment and responsibility to the firm is minimized. As a result, several additional outcomes are evidenced. For example, there is evidence of decreased commitment, trust, loyalty, job satisfaction, and increased intentions to quit. Finally, anxiety and stress appear to be more strongly related to job insecurity than are somatic complaints (Ashford, Lee & Bobko, 1989).

Greenhalgh and Rosenblatt's study (1984) reported similar findings. Following an organizational change, there was an increased propensity to leave and greater resistance to change. And finally, there were mixed reports of reduced work efforts. Ironically, during an organizational change, the exact opposite is needed for a successful outcome. This further displays the great importance of the human factor, which plays into the success or failure of organizational change (i.e. mergers, downsizing).

Greenhalgh (1983) further noted job insecurity's subsequent effects. In this particular research, changes in work attitudes were of primary interest. In effect, productivity, stability, and adaptability of the work force were all negatively affected. More specifically, stability became uncertain as job insecurity increased the likelihood of employees quitting. Adaptability also became uncertain as employees resist any change. And finally, as a result, productivity is affected.

Generally, job insecurity is referred to as an antecedent and/or consequence of organizational change. But according to Roskies and Louis-Gerin (1990) job insecurity is experienced more by those individuals working in a department who has experienced change in the past two years than an employee in a "stable" environment. It appears that this variable is not only important before, during, and after a major organizational change, but for lengths of time beyond

it. Subsequently, managers should take preventative measures and consistently monitor levels of job insecurity in order to avoid or control the potential consequences.

Individual Differences

With the increase of organizational change in our society, job security can no longer be taken for granted by employees. As a result, many experience a sense of job insecurity and/or threat. However, some view it as much more threatening than others. According to Roskies, Louis-Guernin, and Fournier (1993), when an individual confronts an unclear, ambiguous threat, it is not the characteristics of the situation that are appraised as stressful or not. Rather, it lies in the "eye of the beholder" and the threat will be perceived according to the dispositional characteristics of that individual. Therefore, it is the perception they maintain of that threat - whether it be a positive or negative attribution. Therefore, depending on this attribution, the impact of job insecurity will be determined. As a result, either the stress experienced will be cushioned or aggravated by individuals due to (individual) differences. Thus, In this paper, it is proposed that individual differences will act as moderators between the relationship of degree of organizational change and feelings of job insecurity.

Tolerance for Ambiguity

As organizational change continues to be a reality today, so is uncertainty or ambiguity. When individuals are confronted with ambiguity the subsequent reaction and/or perceptions vary from person to person. This individual reaction stems from a stable attribute usually referred to as tolerance for ambiguity. It is defined as "the way an individual (or group) perceives and processes information about ambiguous situations or stimuli when confronted by an array of unfamiliar, complex, or incongruent clues" (Furnham & Ribchester, 1995, p. 179); "the tendency to perceive ambiguous situations as desirable" (Budner, 1962, p. 29). Furthermore, Andersen and Schwartz (1992) describe people who are tolerant of ambiguity as those who "should be better able to cope with the disruptions engendered by negative events, perhaps by being more able to handle and accept the existence of complex or inconsistent possibilities for the future" (p. 271). Many researchers also approach this construct as intolerance of ambiguity. This is addressed as follows: "a person is increasingly tolerant of a stimulus the more he interprets it as a source of psychological discomfort/threat" (Norton, 1975, p. 607); "the tendency to perceive ambiguous situations as sources of threat" (Budner, 1962, p. 29). Nevertheless, Bowen, Qiu, and Li (1994) indicate that there are multiple approaches to defining ambiguity. They present a dictionary definition that refers

to ambiguity as terms or expressions that possess different meanings. Moreover, Tsui (1993) suggests that "ambiguous information" can also be referred to as "vague, incomplete, or fragmented; uncertainty in terms of the state of mind..." (p. 915). A more extensive view of ambiguous situations was presented by Budner (1962), where such a situation consists of "one which cannot be adequately structured or categorized by the individual because of the lack of sufficient cues" (p. 30). Often, the situations are distinguished by novelty, complexity, and insolubility. Each individual has their own way of dealing/coping with ambiguity. Nevertheless, the manner in which ambiguous information is dealt with also has its effects on other aspects of the individual, including their perceptions, interpretations, and the weighting of cognitions (Norton, 1975). Individuals who are characterized as having high levels of tolerance for ambiguity may possess a beneficial quality in that this tolerance buffers the effects of a stressful life event (Andersen & Schwartz, 1992).

Individuals are viewed as either having a low or high tolerance for ambiguity. In other words, an individual possessing a low tolerance of ambiguity will experience more stress as the situation is viewed as threatening (Frone, 1989). Frone also indicates that perceiving a situation as threatening creates further negative effects. These include feelings of tension, dissatisfaction, experience of somatic

symptoms, and intentions to withdraw from the situation. Therefore, in the face of organizational change, the feelings of uncertainty and job insecurity would likely be perceived as being notably threatening. However, on the other hand, the same situation confronting an individual with a high tolerance for ambiguity "perceives ambiguous situations as desirable, challenging, and interesting..." (Furnham & Ribchester, 1995, p.179). Andersen and Schwartz (1995) furthered this as they suggested that individuals with a high tolerance for ambiguity "are better able to deal with the disruption and uncertainty introduced by the negative event in the sense of being more adept at integrating this new experience" (p. 271). Generally, these individuals are able to accept uncertainty and the "not knowing." MacDonald (1970) additionally addresses those with a high tolerance of ambiguity. Three aspects were identified to mark this higher tolerance. They include "seeking out ambiguity, enjoying ambiguity, and excelling in the performance of ambiguous tasks" (p. 791). On the contrary, those low in tolerance of ambiguity would be more sensitive to stress and behave in more cautious behavior (Tsui, 1993). Furnham and Ribchester (1995) further indicate that tolerance for ambiguity is a predictive individual difference. Thus, it seems that it would be considered fairly important to recognize each employee's level of tolerance for ambiguity in an organization, as it is found to be a relatively

stable dispositional factor within an individual. For example, these researchers acknowledged that individuals who were better able to deal with ambiguity, did not desire as much feedback when compared with lower scores on this variable.

During times of turbulence, identifying the different levels of tolerance of ambiguity in the employees appears to be of a fairly critical nature. As a result, a distinction can be made as to which individuals will need more immediate communication about the changes and effects the company would be faced with in the near future.

Nelson, Cooper, and Jackson (1995) suggested that individuals with a high tolerance for ambiguity and apparent control over their work maintained their well-being. Consequently, this variable, tolerance for ambiguity, proves to be an important variable to consider in personnel selection and job training. Corporate America will realistically continue to present us with even more ambiguity that must be dealt with accordingly and effectively. As companies operate with less employees today, it is important that employees have the ability to deal with uncertainty. In short, it is proposed that employees with a low tolerance for ambiguity will experience greater perceptions of job insecurity than employees with a high tolerance for ambiguity.

Locus of Control

A second individual difference, locus of control, is

suggested to moderate the relationship between organizational change and job security. Locus of control refers to "a person's beliefs about control over life events" (Riipinen, 1994, p. 371). Furthermore, the literature presents two types of locus of control - internal and external. One who possesses an internal locus of control generally feels responsible for the things that happen to them. Whereas, an individual with an external locus of control believes that the events which occur in their life are determined by forces such as fate, luck, and other people, etc.

Locus of control has been examined with numerous other variables in order to determine if these two types significantly make a difference in people's jobs and/or lives. For example, in Riipinen's study, the main focus was mainly on locus of control and its relationship with the need for achievement. Out of this study also came the examination of the relationship of locus of control with the need for security. Both these relationships are suggested to be important in organizational behavior. Subsequently, one could suggest that an individual with an internal locus of control would not only possess a stronger need for achievement, but also work harder than an external in order to maintain a comfortable level/perception of job security.

Reitz & Jewell (1979) also surveyed locus of control taking a similar, yet different approach and examined the relationship with job involvement. The tested hypothesis

predicted that those with an internal locus of control would be more involved in their job than an individual with an external locus of control. This was predicted because generally those with an internal locus of control want to have control over their own fate, thus becoming more involved in their job to avoid becoming apathetic or indifferent. Its hypothesis was supported.

Additionally, these same individuals (internals) also assume that they can cause certain changes in their environment (Anderson & Schneier, 1978). Regarding organizational change, an individual with an internal locus of control would not only be expected to experience minimal negative effects, but their perception of job insecurity would not be as pronounced as an individual with an external locus of control. This is supported by Nelson, Cooper and Jackson (1995) who suggested that those perceiving less control and higher uncertainty in their jobs experience more negative effects during organizational change. This apparently is emphasized when a change is outside of their control and the implications and/or consequences of the change remain unclear.

These researchers also examined an external locus of control with situational ambiguities. The results showed that such individuals experienced greater strain. They further suggested that ambiguity in the environment could be stressful to such an individual. This apparently was the

case as such a person perceived the environment to be the source of rewards, satisfaction, well-being, etc.

As a result of these studies, and with a general understanding of locus of control, it appears that it is a significant individual difference that should be taken into consideration when examining the relationship between organizational change and job insecurity. Like tolerance for ambiguity, it could prove to have important implications for managers in turbulent times. Having the knowledge of which employees possess an internal or external locus of control would allow managers to aid the employees more effectively and appropriately. Ultimately, these managers would be able to keep one's perception of job insecurity at a manageable and realistic level. Thus, it is proposed that those employees with an external locus of control will experience greater perceptions of job insecurity than employees with an internal locus of control.

Self-Efficacy

A third potential moderator variable involves the individual difference of self-efficacy. According to Bandura (1982, p. 122), perceived self-efficacy is "concerned with judgments of how well one can execute courses of action required to deal with prospective situations." Additionally, Locke, Motowidlo, and Bobko (1986, p. 333) proposed that self-efficacy would be "the result of past performance, modeling, persuasion, automatic arousal, and

the individual's cognitive processing of all of the above." Jex and Gudanski (1992) presented the distinction of those individuals possessing low versus high levels of self-efficacy. Those possessing low self-efficacy tend not to believe that they have the ability to carry out their job responsibilities, and would feel very threatened by organizational stressors. Consequently, these individuals would react much more negatively than a person characterized as having higher levels of self-efficacy.

Bandura (1977) further noted the differentiation between efficacy expectancy and outcome expectancy. Efficacy expectancy is referred to as "the conviction that one can successfully execute the behavior required to produce the outcomes," whereas, outcome expectancy is defined as "a person's estimate that a given behavior will lead to certain outcomes." This distinction appears to be critical when a person is faced with obstacles. One's conviction may be a determining factor in whether one attempts to cope with a given situation (Bandura, 1977).

Further, self-efficacy is reported as having three dimensions (Gist, 1987). Magnitude is the first dimension which refers to the level of task difficulty that a person believes he/she can attain. Second, strength refers to whether the conviction is strong or weak. And finally, generality is the third dimension. It indicates how much that expectation can be generalized (Bandura, 1977). These

all indicate possible determining factors of one's self-efficacy. Brief and Aldag (1981) additionally propose that self-efficacy can only be enhanced by success that is viewed as a result of a performance that reflects ability rather than luck or special external aids.

Ashford (1988) cited Moose and Billings (1982), as suggesting that threatening situations, in the face of individuals with high self-efficacy, are more active and persistent in their efforts to deal with it. A threatening situation would be an example of a situation where the three dimensions could be applied. This can further be applied to the choice of environment one decides to surround him/herself (Bandura, 1977). Gist (1987) explains that level of self-efficacy will influence one's choice of environment. For example, an individual with high self-efficacy would be more likely to apply for a job that offers more challenge and pay, whereas a person with low self-efficacy would tend toward the option of a dead-end situation.

As mentioned earlier in the paper, organizational change is often accompanied by resistance (Burke & Litwin, 1987). Gist (1987) proposes the consideration of the concept of group efficacy within the context of organizational change. The researcher reinforces the suggestion that resistance is a common phenomenon, which may ultimately be caused by low efficacy expectations and a fear of failure. Consistent with this thinking, it seems highly probable that

an individual who has low self-efficacy and is confronted by an organizational change, will most likely have greater perceptions of job insecurity than one possessing high self-efficacy. This is furthered by a similar suggestion by Bandura (1982). He indicated that those "who are skeptical of their ability to exercise adequate control over their actions tend to undermine their efforts in situations that tax capabilities." Without doubt, organizational change presents a very challenging situation to deal with for many employees. Having said this, it seems very likely that self-efficacy would play a role as a moderating variable in the relationship of organizational change and subsequent feelings of job insecurity. Hence, it is proposed that employees with a low self-efficacy will experience greater perception of job insecurity than employees with high self-efficacy.

Hypotheses

Hypothesis 1: It is hypothesized that the perceived degree of organizational change will be positively related to job insecurity.

Hypothesis 2: It is hypothesized that tolerance for ambiguity will have a moderating effect on the relationship between degree of organizational change and job insecurity. The effect of organizational change will be different for individuals possessing high or low levels of tolerance for ambiguity. It is expected that the relationship becomes

stronger when the individual has a low tolerance for ambiguity and weaker when an individual has a high tolerance for ambiguity.

Hypothesis 3: It is hypothesized that locus of control will have a moderating effect on the relationship between degree of organizational change and job insecurity. The effect of organizational change will be different for individuals possessing an internal or external locus of control. It is expected that the relationship becomes stronger when an individual has an external locus of control and weaker when an individual has an internal locus of control.

Hypothesis 4: It is hypothesized that self-efficacy will have a moderating effect on the relationship between degree of organizational change and job insecurity. The effect of organizational change will be different for individuals possessing high or low levels of self-efficacy. It is expected that the relationship becomes stronger when the individual has low self-efficacy and weaker when an individual has high self-efficacy.

METHOD

Participants

One hundred and seventy-five individuals from fifteen different organizations in the geographic regions of the West and Midwest participated in the study. Twenty-four percent of the participants were between 20 and 29 years of age, thirty-four percent between 30 to 39 years, twenty-three percent were 40 to 49 years old, thirteen percent were 50 to 59 years of age, and three percent were 60 years or older. Fifty-nine percent were female; 83% white, 3% African American, and 3% Hispanic. Thirty-nine percent completed college and fifteen percent completed graduate work. Sixty-six percent indicated that they were married; 68% reported having a family, with the mean number of family members being three to four people. Half of the respondents have been in their job for one to four years, nineteen percent for five to nine years, and eleven percent for less than a year. The organizations and subjects were not pre-selected on any particular basis. And in regards to change, the random selection of organizations yielded a range from "no change" to "total/complete change." All subjects were treated in an ethical manner and all information was kept in strict confidence.

Measures

Organizational change was measured using two sources of information (see Appendix A). One source was provided by

the actual employees using a continuous measure. They rated on a scale of 1 to 10 their perception of the degree/severity of change that took place or did not take place. For example, "1" indicated "no change," and "10" indicated a "total/complete change" within the organization.

In addition to the employee's perception of degree of organizational change, assessment of each organization was also conducted by trained raters. Each participating organization was asked in the initial cover letter to provide a brief description of the changes they had been experiencing. These communicated changes were transferred to note cards which were then given to the raters. This allowed for a comparison to be made between perceptions of change and actual degree of change in relation to job insecurity. The raters were graduate students in the field of Industrial/Organizational Psychology who were trained to examine and evaluate varying degrees of change. Again, a continuous measure ranging from 1 to 10 was implemented. This appraisal relied on rating key changes provided by each organization in order to determine the experienced degree of change. Nevertheless, the raters were to be provided with both a scale and description of the degrees of change. Some examples of the key changes indicated by the organizations included the integration of departments, a new president, rapid growth, resignations/termination, geographic changes, restructuring, and an increased work load. The reported

inter-rater reliability was .81.

Specific Factors Related to Change consisted of ten separate items, each consisting of a different type of change (see Appendix A). They were used in determining the presence of any additional factors playing a role in the relationship between degree of organizational change and feelings of job insecurity. Some examples of the types of changes include:

- B1: demotions
- B2: terminations
- B3: transfers
- B4: alterations of policies/procedures
- B5: job duties altered
- B6: workload
- B7: supervisor
- B8: co-workers
- B9: hostility
- B10: salary/benefits

Job insecurity was measured using the Job Insecurity Scale (JIS) developed by Ashford, Lee, and Bobko (1989) (see Appendix B). The measure was composed of subscales assessing three components: threat to various job features, threat to a job itself, and powerlessness to prevent a loss. Greenhalgh and Rosenblatt (1984) had suggested that job insecurity is best measured by the interaction of these three components.

The first subscale consists of 16 items, each requiring the respondent to select one of five choices within the scale that would most accurately describe their situation in terms of features within their job. The internal consistency coefficient of the subscale in this study is .93.

The second subscale is of a similar nature, but focuses on one's total job. It consists of 9 items with a similar question to that of the first subscale. Again, the respondent is to choose one of the five responses in the provided scale. The reported reliability in this study is .83, after taking out the fourth question. It appeared that participants may not have understood the question.

Powerlessness was the final subscale within the JIS. It consists of three items on a 5-point scale in which subjects are to rate their agreement, ranging from "strongly disagree" (1) and "strongly agree" (5). For example, an item included reads, "I have enough power in this organization to control events that might affect my job." The reported reliability of this subscale in this study was reported as $r = .81$.

Tolerance for ambiguity was measured using the 20 items of the AT-20 Scale (MacDonald, 1970) (see Appendix C). This scale is a revised scale from the 16-item Rydell-Rosen Ambiguity Tolerance Scale. This revision raised the reliability from a .64 to .86 (split-half, corrected by Spearman-Brown). In addition, there is evidence that the

AT-20 is free from social desirability response bias (MacDonald, 1970). Cross-validation of this 20-item scale yielded an r of .63 on a sample of 739 undergraduate students. Nevertheless, compared with other tests of tolerance for ambiguity, this scale has shown reasonably good internal consistence. Furthermore, the AT-20 has demonstrated rather high retest reliability for a test interval of six months. Other studies have also supported the use of the AT-20. For example, a study conducted by Keinan (1994) found the scale to have a Cronbach's alpha of .86 and Furnham and Ribchester (1995) reported the AT-20 to have an alpha of .78.

Again, the scale consists of twenty items where subjects are to answer with either a true or false response. A higher score indicates greater tolerance for ambiguity than does a lower score. Examples of the scale include:

- a) A problem has little attraction for me if I don't think it has a solution.
- b) There's a right way and a wrong way to do almost everything.
- c) It bothers me if I am unable to follow another person's train of thought.
- d) I have always felt that there is a clear difference between right and wrong.

In general, it was concluded that the AT-20 showed a promise of being a useful instrument for the measurement and

further investigation of tolerance for ambiguity. This study indicated the AT-20 to have an internal consistency coefficient of .70.

Locus of control was measured using Rotter's Internal-External Control Scale (see Appendix D). Its goal is to ultimately "assess the extent to which the respondent believes his outcomes in life are shaped by his own behavior rather than luck or powerful external agents (Organ & Greene, 1974). The I-E Scale consists of a 29-item forced choice scale. A low score on this scale indicates an internal orientation, whereas a high score is associated with an external locus of control.

The I-E Scale has reported split-half and test-retest reliabilities ranging from .65 to .70. After surveying the literature focusing on locus of control, the majority of studies utilized Rotter's I-E Scale. The study by Anderson (1977) used the I-E Scale and reported the split-half reliability coefficient for the data as .76. Other researchers implementing the scale include Reitz and Jewell (1979), Petterson (1985), Organ and Greene (1974), Goostadt and Hjelle (1973), Anderson and Schneier (1978), Spector (1982), and Gul, Tsui, and Mia (1994). The reported reliability in this study is $r = .71$.

Self-efficacy, at the individual level, was measured through the use of 10 items developed by Riggs, et al. (see Appendix E). Although considered a general scale, it was

intended to ensure work-related specificity. Thus, the scale included a brief paragraph directing the respondents to refer to their own personal work situations (Riggs, et al., 1994). In addition, the scale is reported to be consistent with theoretical definitions and have an equal number of positively and negatively worded items. Responses range from "strongly agree" (SA) to "strongly disagree" (SD).

The scale reliabilities in the study by Riggs et al. (1994) reported a range from .85 to .88. This study reported a reliability of .82.

Procedure

A cold-calling procedure was used in order to acquire subjects for the study. In attempts to gain approval from organizations, an explanation of the study was given with an additional incentive. This included providing an aggregate report to the organization (comparing their company's results with others participating as well) if they had twenty or more of their employees completing and returning the surveys by the cutoff date. Upon approval, a cover letter, the requested number of surveys and self-addressed envelopes were mailed to the contact person of that organization. This was one way to ensure confidentiality. Other companies preferred to make their own copies and mail them all back at one time. Regardless of how the surveys were returned, all were coded in order to distinguish among the different

companies. The time for each participant to complete the survey was approximately fifteen minutes.

In addition, each organization provided a brief description of its status (in the past one to three years) in terms of what changes it may or may not have experienced. This then allowed for the trained raters to assess the degree of change within each organization. The assessments were ultimately compared to the employees' perceptions of change. Finally, each organization was thanked following the collection of surveys and information regarding change.

RESULTS

The data for this study was analyzed using the SPSS statistical package. The response rate for the study varied from organization to organization. Generally speaking, approximately the same number of surveys were requested by both the small and large organizations. The response rate was about 80% for the smaller organizations, and around 75% for the larger organizations. It should also be noted that there were some organizations who agreed to participate, but appeared to never follow through with the surveys. Looking at the histograms, the total job scale was slightly skewed, but not enough to affect the results. None of the variables appeared to be skewed at either extreme. Table I summarizes the means, standard deviations, and reliabilities of the scales used to assess the different variables in this study. The means reported in the table are satisfactory with the majority of scales using a 1 to 5 likert scale. The two reported lower means used items requiring either a true-false or a-b response. Moreover, the standard deviations also appear to have acceptable variabilities around the means. The table further reports the reliabilities of each scale, all being acceptable at a range of .81 to .93. However, there was the exception of two of the individual differences which had reliabilities around .70, which are considered acceptable for experimental purposes according to Nunnally (1978).

In regards to the correlations, Table II displays the three job insecurity dimensions (job features, total job, and powerlessness) which were significantly correlated in both positive and negative directions with one another, and with the individual differences of tolerance for ambiguity and self-efficacy. In addition, Table II also shows the correlation coefficients that were computed for the three job insecurity dimensions with perceptions of change and actual change. Across the six correlations, a p-value of less than .05 was required for significance. Three of the six correlations were significant and two were marginal. The correlations of perception of change and actual change with the job insecurity dimensions are as follows: job feature dimension and perception of change (.20*); total job dimension and perception of change (.21*); and the powerlessness dimension and perceptions of change (-.22*); job feature dimension and actual change (.15*); total job dimension and actual change (.13); and the powerlessness dimension and actual change (-.14). Furthermore, the statistically significant correlations had an effect size of approximately $r^2 = .04$. Ashford, Lee, and Bobko (1989) refer to powerlessness as an individual's ability to counteract threats in the dimensions of job features and the total job. Furthermore, in the event that there are perceived threats, those who are low in powerlessness should not experience much job insecurity. Thus, this explains the negative correlations. The

table indicates that perceptions of degree of change significantly correlate with job insecurity more than actual change. In general, the results suggest that an individual's perception of a situation may impact one's feeling's of job insecurity more than what the actual situation may entail. The data supported hypothesis one.

Two sets of moderated regressions were conducted to determine if any of the individual differences acted as moderators in the relationship between degree of organizational change and feelings of job insecurity. The first set of regressions involved the employees perceptions of change and the individual differences (tolerance for ambiguity, locus of control, and self-efficacy) as predictors of job insecurity. The job insecurity variable consisted of three dimensions in both sets - perceived threat to job features (jobfeat), perceived threat to total job (totjob), and powerlessness (powerles). Interaction terms were also necessary to compute in order to perform the moderated regressions and determine the presence of moderator variables.

The second set of moderated regressions were the same except they involved the actual degree of change (raters) and the individual differences as predictors of job insecurity. Again, interaction terms were computed for this set of regression to test for the presence of any moderators.

Tables III and IV reveal the absence of any moderators

in the relationship being studied. To reach statistical significance, the F Change needs to be less than a p-value of .05. The table also indicates the percent of variance accounted for by the variables in explaining job insecurity under the column labeled R². In general, the regressions calculated with perceptions of degree of change accounted for more variance than the regressions with the actual degree of change.

The first set of moderated regressions involved perceptions of degree of change and the individual differences. Results failed to indicate the presence of any moderators. The second set of moderated regression examined actual degree of change (raters) with the individual differences. Again, no indication of the presence of any moderators. The variance accounted for with perceptions of change and the individual differences ranged from 5% to 15%. Whereas, actual degree of change and the individual differences accounted for 2% to 10% of the variance in explaining job insecurity. In short, a total of eighteen analyses were run, with a sum of six interaction variables. Table III provides a summary of the results.

Not revealed in the table were the results in the first block of the regressions before the interaction terms were entered. When the individual differences were entered with perception of change, all individual differences were significant ($p < .05$) in predicting job insecurity. However,

when paired with the actual degree of change, only efficacy proved to be significant across all three job insecurity dimensions.

Despite the failure to support the hypothesized presence of moderators, further exploration discovered additional meaningful results. The two strongest emerging predictors of job insecurity included perceptions of change and the individual difference, self-efficacy, which appeared to be slightly stronger. Nonetheless, they both proved to be significant in the prediction of the job insecurity dimensions. Prediction of the total job dimension showed efficacy and perception of change as accounting for a significant amount of variability in explaining job insecurity, $R^2 = .15$, $F(2, 132) = .000$, $p < .05$, (betas of .32 and .21 respectively). Again, the two variables accounted for much of the variance in the job feature dimension of job insecurity, $R^2 = .10$, $F(2, 131) = .001$, $p < .05$, with reported betas of .23 (effic) and .21 (percchg). They also significantly accounted for variance in the powerlessness dimension, $R^2 = .07$, $F(2, 132) = .007$, $p < .05$, with betas of -.16 (effic) and -.22 (percchg). Again, the nature of powerlessness should be kept in mind when interpreting the negative betas. In addition, the regression analyses revealed that locus of control also accounted for a significant amount of variance in the powerlessness dimension, $R^2 = .07$, $F(1, 173) = .000$, $p < .05$, (beta = -.27). Referring to Table II, it shows that

locus of control is significantly correlated with three variables - powerlessness (-.27), tolerance of ambiguity (-.21), and efficacy (.17). However, it should be noted that although perception of change is considered a fairly good predictor of job insecurity, it is not significantly correlated with any of the individual differences. This suggests that there is something about perception of change that is left untapped and needs to be further investigated for a more complete understanding.

Additional Exploratory Analyses

In attempts to gain a better understanding, further analyses were conducted using the "Specific Factors Related to Change" to determine what other factors may be playing a role in the relationship between perception of degree of change and feelings of job insecurity. The analyses that were conducted included both stepwise regressions (Table V) and correlations (Table VI). Six types of changes correlated with perceptions of change. The significant correlations ranged from .17 to .37. The alteration of policies/procedures had a correlation of .37 with perceptions of change and terminations had a correlation of .35 with perceptions of change. These appear to be the most highly correlated variables with perceptions of change, which possess moderate associations. It is suggested that both types of changes emerged as significant predictors because they appear to cause the most instability and ambi-

guity in one's job. These correlations were further supported in the performed stepwise regression analyses (Table V). All of the "Specific Factors Related to Change" were entered with perception of change to determine which were most predictive of it. As would be expected (from the correlations), results showed that alteration of policies/procedures was entered in step one, suggesting that it accounts for more variance than the other "specific factors related to change," $R^2 = .14$, $F(1,133) = .000$, $p < .05$, (beta = .45). Step two in the same analysis included terminations as being significant, R^2 change = .04, $F(2,32) = .01$, $P < .05$. Demotions, transfers, and hostility were not entered in any of the steps in the analysis. Therefore, the stepwise regression suggests alteration of policies/procedures to be most predictive of perceptions of change over and above demotions, transfers, and hostility.

Similar analyses were conducted for the three job insecurity dimensions. Table VI reveals that in addition to correlating with perception of change, only transfers and hostility significantly correlated with all three job insecurity dimensions. However, the stepwise regression with the "specific items related to change" and the dimensions of job insecurity indicate that hostility is entered in step one in each regression, suggesting it is most predictive of job insecurity. The significant results for the job feature dimension were reported as $R^2 = .14$, $F(1, 171) = .000$,

$p < .05$, (beta = .37); the total job dimension, $R^2 = .10$, $F(1, 173) = .000$, $p < .05$ (beta = .32); and the powerlessness dimension, $R^2 = .08$, $F(1, 173) = .000$, $p < .05$ (beta = -.28). Hostility appears to account for a significant amount of variance in explaining job insecurity according to the data. It would be safe to assume that other additional factors play a role in the relationship of perception of degree of change and feelings of job insecurity.

DISCUSSION

Results from this study show support of hypothesis one, finding a positive relation between perceived degree of organizational change and feelings of job insecurity. But there was no evidence of tolerance for ambiguity, locus of control, or self-efficacy acting as moderating variables within this relationship. Therefore, the remaining hypotheses were not supported.

The results indicated that perceptions of change proved to be significantly correlated with feelings of job insecurity. But the actual degree of change did not significantly correlate with each dimension of job insecurity. And when correlating the two variables of perceptions of change (percchg) and actual change (raters), they appeared to be only weakly correlated. Together, this data suggests that an individual's perception of a situation is what ultimately generates feelings of job insecurity. Not the actual or objective situation. However, it should be noted at this point that the information the raters were provided with in order to assess the organizations may not have been consistent. More specifically, each contact person of the different organizations had to be contacted again in order to obtain information concerning the changes occurring within that organization. It is possible that some descriptions were more detailed than others, thus affecting the assessment made by the raters. In addition, it is feasible to

question whether this is partially causing the discrepancy between the perceived and actual change. Yet, previous conclusions reported by Greenhalgh (1984) appear to support this finding. He reported that "individual perceptions are the sources of job insecurity" (p. 433). In addition, Lazarus' theory of psychological stress (Roskies & Louis-Guerin, 1990) also applies to this finding, in respect to the important role of perception in feelings of job insecurity. It basically states that the objective severity of danger in a situation is insignificant. Psychological stress, for example, develops as a result of an individual evaluating a situation as threatening. It is one's cognitive appraisal that is of concern. When an individual is faced with an unclear threat, it is in the eye of the beholder, and not the situation, that determines how the circumstances are appraised. This study provides additional support to the importance of our perceptions in how we deal with everyday situations. However, it seems logical to assume that our perceptions play an even more critical role in the work place today as major changes are being experienced. Inaccurate perceptions often resulting in irrational behaviors, may be a reason so many mergers, for example, are considered unsuccessful (Schwieger & Ivancevich, 1985). The discrepancy existing between one's perceptions of the situation and the actual situation is irrelevant. Only the employee's perceptions are of concern because they are believed to be

their reality. Subsequently, the results may be indicators that employee concerns are not being acknowledged. Furthermore, it is suggested that the perceptions resulting in feelings of job insecurity are a result of a lack of information given to the employees and/or lack of opportunity to participate in activities whose purpose is to manage aspects of the changes. Consequently, perceptions would be likely to deviate to an even greater extent from that of the actual situation confronting the organization. Therefore, given the nature of the supported relationship in this study, it appears that the data suggest that additional factors are playing a role in the development of employee perceptions, and also creating the discrepancy between the perceived and actual situation.

Due to the fact that the three individual differences did not act as moderating variables in the initial relationship, further consideration of these variables is necessary. First, tolerance for ambiguity did not result as a moderator variable. Again, tolerance for ambiguity is "the tendency to perceive ambiguous situations as desirable," whereas intolerance of ambiguity refers to "the tendency to perceive ambiguous situations as sources of threat" (Budner, 1962, p. 29). Budner also defined an ambiguous situation as "one which cannot be adequately structured or characterized by the individual because of the lack of sufficient cues" (p. 30). Consideration of alternative explanations may help

to put this variable into perspective.

The estimate of an individual's tolerance-intolerance of ambiguity in this study may have lacked accuracy. According to Budner (1962), an accurate estimate occurs on two levels. One level involves examining how the individual perceives, evaluates, and feels. And the second level entails evaluating how that individual acts/behaves with reference to the external environment. If both do not occur during evaluation, an individual's tolerance-intolerance of ambiguity would prove to be inaccurate. This study was not capable of achieving both levels, leaving more room for error.

On the level which an individual perceives, many factors play an influential role. Some aspects may include one's "health, intelligence, previous learning, acquired skills, and self-image" (Budner, 1962, p. 47). And because of the many different experiences that people have had, their perceptions will vary accordingly.

Another explanation relates to the idea that intolerance of ambiguity is situational (Budner, 1962). This may account for the results in this study. Tolerance-intolerance of ambiguity would therefore not appear until an individual encountered an ambiguous situation. It is unknown as to whether the participants actually had encountered an ambiguous situation during the changes occurring in the organization. Therefore, it is possible that their respons-

es are more of a reflection of how they ideally would like to react and behave in such situations. Nevertheless, according to Furnham and Ribchester (1995), differences in tolerance for ambiguity should affect people's reactions to situations, such as major organizational changes, and it seems important to identify the individuals who are likely to react to uncertainty with stress and anxiety (p. 193).

Locus of control was the second individual difference not found to be a moderator. It was expected that an individual with an internal locus of control would experience lower levels of job insecurity than those possessing an external locus of control. This is consistent with the study conducted by Anderson, Hellriegel, and Slocum (1977). The results indicated that generally, individuals with an internal locus of control, tend to report less objective threat in situations than those with an external locus of control. It was also suggested that those with an internal locus of control take more active steps in order to overcome a problem. It appears the same would apply to a situation involving an organizational change. An individual with an internal locus of control is likely to take active steps in order to maintain their job during times of change. However, an alternative possibility for it not acting as a moderator variable may be due to the fact that it does not influence one's perception of change. Instead, it may affect the individual's belief that he/she can cope with the organiza-

tional change despite the encountered threats. Viewing it in this manner would classify locus of control as an available coping resource. On the other hand, it should be noted again that locus of control was predictive of job insecurity, but did not affect the supported relationship. Therefore, it was found to play a very important role in this study, but not as a moderator.

Self-efficacy was the third individual difference not found to be a moderator. Other studies investigating self-efficacy as a moderator, such as in stress processes, also failed to produce results with self-efficacy acting as a moderator (Jex & Gudanowski, 1992). Alternative explanations may be similar to those involving locus of control. Generally, those with moderate to high levels of efficacy tend to persist in the face of obstacles (Bandura, 1982) which was what was expected when hypothesizing that self-efficacy would act as a moderator. However, when considering self-efficacy in the relationship between perceptions of change and feelings of job insecurity, it may depend on when an individual's self-efficacy is assessed. For example, regardless of efficacy level, an individual may initially report considerable feelings of job insecurity. It should also be considered that most every individual has feelings of job insecurity in business today. However, because the evaluations were based on self-reports, it is difficult to determine if these are accurate responses or ideal

responses.

Although the results did not meet the initial expectations of existing moderators, the results indicated other important findings that should be noted in attempts to further the understanding of the relationship. Despite self-efficacy's failure to act as a moderator, it nevertheless plays an important role in the study, as does perception of change. The data marked self-efficacy and perceptions of change as predictors of job insecurity. In fact, the results showed this individual difference as being the strongest predictor of job insecurity. Like locus of control and tolerance for ambiguity, each play an important role in the relationship between degree of organizational change and job insecurity, but do not appear to affect the relationship.

Perceptions of change appear to be predictive of job insecurity. This does not seem to be a surprising result considering its nature. One's perception tends to be one's reality. The objective situation is irrelevant. Rather, it is the subjective interpretation that creates results and ultimately forms our reality. Regardless of the actual severity of a threat, it is not considered threatening until we perceive it to have those qualities. In short, the results support previous research and give greater meaning to the statement that "individuals perceptions are the sources of job insecurity" (Greenhalgh, 1984, p. 433).

Further analyses were conducted in attempts to discover the influence of additional factors affecting one's perceptions of change. Individual differences did not play a role, as correlations were not evident. Some factors not playing a role in the results of this study include the demographic variables. Roskies & Louis-Guerin's study (1990) indicated the same results. However, other types of changes did, in fact, play a role in the formation of one's perceptions implying that more is involved in job insecurity. The loss of one's job is not a sufficient explanation. In other words, particular types of changes besides job loss were found to be significant in predicting feelings of job insecurity. The stepwise regressions that were performed indicated that perceptions are significantly influenced by such changes as terminations and the alteration of policies/procedures. Such changes are evidently perceived as major changes affecting one's job and attitude. Similarly, according to Greenhalgh (1984), many terminations occur in waves, which ultimately creates severe feelings of job insecurity as the employees are constantly preoccupied by the thought, "Who is going to be next?," "Am I next?" Regarding changes in policies and procedures within an organization, this most often occurs as a result of a merger, acquisition or restructuring. Subsequently, resistance to change is a typical response, indicating job insecurity (Greenhalgh & Rosenblatt, 1984).

The additional analyses also revealed other types of changes which appear to predict job insecurity. The two strongest predictors included the items concerning transfers and hostility. Greenhalgh and Rosenblatt (1984) indicated that unintended organizational clues evident to employees may be a contributing factor to job insecurity. This would include any information not mediated by management in the organization. A possible factor causing hostility would be the perception that an employees' psychological contract had been broken, suggesting to the employee that there is no longer any loyalty between the employee and the organization. Moreover, Schweiger and Ivancevich (1985) presented one of the most influential causes of fear and hostility - rumors. They suggested many employees listen to inaccurate and inconsistent information, and ultimately use it to anticipate personal consequences and so forth. Hostility may also be an indicator of poor employee relations and/or poor morale. It is possible that job insecurity increases in an atmosphere of hostility because employees fear other co-workers manipulating situations at any expense in order to maintain their job.

Limitations

Meaningful results were gathered as a result of this study. However, problems were still present. It should be noted that individual differences do influence an individual's perceptions. But it may be that other personality

variables act as moderators in this relationship that have not been examined.

A second limitation involves the targeted organizations. It may have made a difference had only large or small organizations been included. For example, it is possible that smaller organizations would have been more accommodating, receiving responses from a greater range of the organization. Similarly, a greater pool of subjects from each organization would improve the study allowing for more representative results.

Next, it would have been interesting to include more demographic characteristics. For example, this study may have benefited from including the distinction of whether the participant occupied a managerial or non-managerial position. It could mean the difference of one being aware or unaware of the changes occurring in the organization. This also would include possible differences in the level of understanding organizational change and its consequences.

Another possible limitation may have been the fact that the data was based on self-reports. This can be a problem in that subjects often want to answer a survey as consistently as possible. In addition, self-reports often lead to responses biased by social desirability.

Furthermore, there may have been the problem of self-selection. Due to the fact that it was a voluntary study, there may be something about the individuals who completed

and returned the surveys, as opposed to those who did not. Targeting smaller organizations may help to overcome this limitation by getting the majority of employees to return the survey.

A final limitation of the study concerns the perception of change variable. It appears that more research and understanding needs to go into the concept of perception. Other studies indicate that the role of personality is not uniform in influencing perceptions concerning a threat/danger. It can vary from one situation to another (Roskies, Louis-Guerin, & Fournier, 1993). Therefore, a greater understanding of a situation, one's personality, and perceptions may help to answer why there is so much variance across situations.

Future Research

The central findings established the importance of perception of change and personality differences as being important to the prediction of job insecurity. This was evidenced by the results indicating the support of hypothesis one and the significant correlations present in the results. But, research on organizational change and job insecurity still remains limited. The impact it has on employees is tremendous and managers need to know how to manage their employees appropriately. Due to the limited research, future research options include a wide variety of avenues.

As mentioned, different individual differences would be interesting to investigate. Despite the null results of this study, it still seems logical for moderating variables to exist within this relationship. In addition, this would also entail a more in-depth understanding of perceptions (of change), job insecurity, and the two in relation to one another.

In terms of gathering data, it would be interesting to assess employees at a couple of time intervals. This could help to identify those variables which are situational, and would help to alleviate some effects of social desirability. It also would help to determine if the personality characteristics remained stable. If they are found to be situational, it may provide some concrete answers to this study.

It would also be intriguing to examine interventions that would be effective in the relationship between organizational change and job insecurity. "All change - by definition - disrupts the continuity in the work situation. All change therefore creates some degree of job insecurity" (Greenhalgh, 1983, p. 436). Subsequently, examining what could be done to prevent the full-blown effects of job insecurity would further the understanding of this topic. More importantly, it would allow the organization to function more effectively despite the organizational changes.

Finally, the use of a few additional demographic variables would be beneficial. As mentioned, it would be inter-

esting to look at job level to see if results would be interpreted differently. But it would also be valuable information to collect data on whether or not the participating organizations are considered to be a union or non-union organization. Respondents may have different perspectives in a union than those not in a union. Again, this could alter the explanation of some of the results.

APPENDIX A: Degree of Organizational Change

The following assesses the degree of change your organization has experienced. Please circle the number that corresponds to the degree of change you feel the organization in which you are currently employed has experienced in the last 1-3 years. For example, a "1" would indicate that no changes have occurred within the organization, whereas a "2" may indicate limited changes such as reporting to a new supervisor, working with new co-workers, and so forth. On the other hand, a "10" would indicate that a total/complete change has taken place, such as a total restructuring, for example.

There is no right or wrong answer, but please only mark *one* number. Again, it is only an indication of what degree of change you perceive to have occurred (or not to have occurred) within the organization.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.

The following statements are about what type of changes you may be experiencing in your organization. Please use the following scale to indicate the degree to which you feel the statement is true, false, or neither true nor false. Please circle the number that best represents your answer.

- 1 = VERY FALSE
- 2 = MORE FALSE THAN TRUE
- 3 = NEITHER TRUE NOR FALSE (NO CHANGE)
- 4 = MORE TRUE THAN FALSE
- 5 = VERY TRUE

1 2 3 4 5 Recently in the organization there have been a number of demotions.

1 2 3 4 5 The organization has made numerous terminations.

1 2 3 4 5 The organization has transferred a number of employees.

1 2 3 4 5 Ways of doing things in the organization have been altered.

1 2 3 4 5 My job duties have been altered.

1 2 3 4 5 I have experienced an increase in my workload.

1 2 3 4 5 I recently have received a new supervisor.

1 2 3 4 5 There are many new co-workers in my department.

1 2 3 4 5 Recently, I feel that there is more hostility among the employees.

1 2 3 4 5 My salary and/or benefits has been decreased.

APPENDIX B: Job Insecurity Scale

Perceived Threat to Job Features

The following statements attempt to capture the perceived threat to job features. Please use the following scale to answer the question, "Looking to the future, what is the probability that changes could occur – changes you don't want or might disagree with – that would negatively affect each of the features?"

- 1 = NEGATIVE CHANGE VERY UNLIKELY
- 2 = NEGATIVE CHANGE UNLIKELY
- 3 = NEGATIVE CHANGE NEITHER LIKELY NOR UNLIKELY
- 4 = NEGATIVE CHANGE LIKELY
- 5 = NEGATIVE CHANGE VERY LIKELY

- 1 2 3 4 5 Your geographic location?
- 1 2 3 4 5 Your potential to get ahead in the organization?
- 1 2 3 4 5 Your potential to maintain your current pay?
- 1 2 3 4 5 Your potential to attain pay increases?
- 1 2 3 4 5 The status that comes with your position in the company?
- 1 2 3 4 5 Your current freedom to schedule your own work?
- 1 2 3 4 5 Your current freedom to perform your work in the manner you see fit?
- 1 2 3 4 5 Your current access to resources (people, materials, information) in the organization?
- 1 2 3 4 5 Your current sense of community in working with good coworkers?
- 1 2 3 4 5 The amount of feedback you currently receive from your supervisor?
- 1 2 3 4 5 The supervision that you receive?
- 1 2 3 4 5 The physical demands your job places on you?
- 1 2 3 4 5 The variety of tasks you perform?
- 1 2 3 4 5 The opportunity to do an entire piece of work from start to finish?
- 1 2 3 4 5 The significance of your job?
- 1 2 3 4 5 The extent to which you can tell how well you are doing your job as you do it?

Perceived Threat to Total Job

The following is an attempt to capture the perceived threat to a total job. Please use the following scale to indicate how likely an event potentially may be in response to the question, "again, thinking about the future, how likely is it that each of the following might actually occur to you in your current job?"

- 1 = VERY UNLIKELY
- 2 = UNLIKELY
- 3 = NEITHER LIKELY NOR UNLIKELY
- 4 = LIKELY
- 5 = VERY LIKELY

- 1 2 3 4 5 Lose your job and be moved to a lower level job within the organization?
- 1 2 3 4 5 Lose your job and be moved to another job at the same level within the organization?
- 1 2 3 4 5 Find that the number of hours the company can offer you to work may fluctuate from day to day?
- 1 2 3 4 5 Be moved to a higher position within your current location?
- 1 2 3 4 5 Lose your job and be laid off for a short while?
- 1 2 3 4 5 Lose your job and be laid off permanently?
- 1 2 3 4 5 Find your department or division's future uncertain?
- 1 2 3 4 5 Lose your job by being fired?
- 1 2 3 4 5 Lose your job by being pressured to accept early retirement?

Powerlessness

The following is to assess your feelings in regards to powerlessness within your job. Please use the following scale to indicate the degree to which you agree or disagree with the following statements. Please circle the number that best represents your answer.

- 1 = STRONGLY DISAGREE
- 2 = DISAGREE
- 3 = NEITHER AGREE NOR DISAGREE
- 4 = AGREE
- 5 = STRONGLY AGREE

- 1 2 3 4 5 I have enough power in this organization to control events that might affect my job.
- 1 2 3 4 5 In this organization, I can prevent negative things from affecting my work situation.
- 1 2 3 4 5 I understand this organization well enough to be able to control things that affect me.

APPENDIX C: Measure of Tolerance of Ambiguity (AT-20)

The following is to assess how people perceive ambiguous situations. Please do not spend too much time on the following items. There are no right or wrong answers and therefore you first response is important. Mark T for true and F for false. Be sure to answer every question.

1. A problem has little attraction for me if I don't think it has a solution. T F
2. I am just a little bit uncomfortable with people unless I feel that I can understand their behavior. T F
3. There's a right way and a wrong way to do almost everything. T F
4. I would rather bet 1 to 6 on a long shot than 3 to 1 on a probable winner. T F
5. The way to understand complex problems is to be concerned with their larger aspects instead of breaking them into smaller pieces. T F
6. I get pretty anxious when I'm in a social situation over which I have no control. T F
7. Practically every problem has a solution. T F
8. It bothers me when I am unable to follow another person's train of thought. T F
9. I have always felt that there is a clear difference between right and wrong. T F
10. It bothers me when I don't know how other people react to me. T F
11. Nothing gets accomplished in this world unless you stick to some basic rules. T F
12. If I were a doctor, I would prefer the uncertainties of a psychiatrist to the clear and definite work of someone like a surgeon or X-ray specialist. T F
13. Vague and impressionistic pictures really have little appeal to me. T F
14. If I were a scientist, it would bother me that my work would never be completed (because science always has new discoveries). T F
15. Before an examination, I feel much less anxious if I know how many questions there will be. T F
16. The best part of working a jigsaw puzzle is putting in that last piece. T F
17. Sometimes I rather enjoy going against the rules and doing things I'm not supposed to do. T F
18. I don't like to work on a problem unless there is a possibility of coming out with a clear-cut and unambiguous answer. T F
19. I like to fool around with new ideas, even if they turn out later to be a total waste of time. T F
20. Perfect balance is the essence of all good composition. T F

APPENDIX D: Locus of Control

This part of the survey is to find out the way in which certain important events in our society affect different people. Each item consists of a pair of alternatives lettered a or b. Please select the one statement of each pair (*and only one*) which you more strongly *believe* to be the case as far as you're concerned. Be sure to select the one you think you should choose or the one you would like to be true. This is a measure of personal belief: obviously there are no right or wrong answers.

Please answer these items carefully but do not spend too much time on any one item. Be sure to find the answer for *every* choice. In some instances you may discover that you believe both statements or neither one. In such cases, be sure to select the one you more strongly believe to be the case as far as you're concerned. Also try to respond to each item independently when making your choice; do not be influenced by your previous choices.

1. a. Children get into trouble because their parents punish them too much.
 b. The trouble with most children nowadays is that their parents are too easy with them.
2. a. Many of the unhappy things in people's lives are partly due to bad luck.
 b. People's misfortunes result from the mistakes they make.
3. a. One of the major reasons why we have wars is because people don't take enough interest in politics.
 b. There will always be wars, no matter how hard people try to prevent them.
4. a. In the long run people get the respect they deserve in this world.
 b. Unfortunately, an individual's worth often passes unrecognized no matter how hard he tries.
5. a. The idea that teachers are unfair to students is nonsense.
 b. Most students don't realize the extent to which their grades are influenced by accidental happenings.
6. a. Without the right breaks one cannot be an effective leader.
 b. Capable people who fail to become leaders have not taken advantage of their opportunities.
7. a. No matter how hard you try some people just don't like you.
 b. People who can't get others to like them don't understand how to get along with others.
8. a. Heredity plays the major role in determining one's personality.
 b. It is one's experiences in life which determine what they're like.
9. a. I have often found that what is going to happen will happen.
 b. Trusting to fate has never turned out as well for me as making a decision to take a definite course of action.
10. a. In the case of the well prepared student there is rarely if ever such a thing as an unfair test
 b. Many times exam questions tend to be so unrelated to course work that studying is really useless.
11. a. Becoming a success is a matter of hard work, luck has little or nothing to do with it.
 b. Getting a good job depends mainly on being in the right place at the right time.

12.
 - a. The average citizen can have an influence in government decisions.
 - b. This world is run by the few people in power, and there is not much the little guy can do about it.
13.
 - a. When I make plans, I am almost certain that I can make them work.
 - b. It is not always wise to plan too far ahead because many things turn out to be a matter of good or bad fortune anyhow.
14.
 - a. There are certain people who are just no good.
 - b. There is some good in everybody.
15.
 - a. In my case getting what I want has little or nothing to do with luck.
 - b. Many times we might just as well decide what to do by flipping a coin.
16.
 - a. Who gets to be the boss often depends on who was lucky enough to be in the right place first.
 - b. Getting people to do the right thing depends upon ability, luck has little or nothing to do with it.
17.
 - a. As far as world affairs are concerned, most of us are the victims of forces we can neither understand, nor control.
 - b. By taking an active part in political and social affairs the people can control world events.
18.
 - a. Most people don't realize the extent to which their lives are controlled by accidental happenings.
 - b. There is really no such thing as "luck."
19.
 - a. One should always be willing to admit mistakes.
 - b. It is usually best to cover up one's mistakes.
20.
 - a. It is hard to know whether or not a person really likes you.
 - b. How many friends you have depends upon how nice a person you are.
21.
 - a. In the long run the bad things that happen to us are balanced by the good ones.
 - b. Most misfortunes are the result of lack of ability, ignorance, laziness, or all three.
22.
 - a. With enough effort we can wipe out political corruption.
 - b. It is difficult for people to have much control over the things politicians do in office.
23.
 - a. Sometimes I can understand how teachers arrive at the grades they give.
 - b. There is a direct connection between how hard I study and the grades I get.
24.
 - a. A good leader expects people to decide for themselves what they should do.
 - b. A good leader makes it clear to everybody what their jobs are.
25.
 - a. Many times I feel that I have little influence over the things that happen to me.
 - b. It is impossible for me to believe that chance or luck plays an important role in my life.
26.
 - a. People are lonely because they don't try to be friendly.
 - b. There's not much use in trying too hard to please people, if they like you, they like you.

- 27.
 - a. There is too much emphasis on athletics in high school.
 - b. Team sports is an excellent way to build character.
- 28.
 - a. What happens to me is my own doing.
 - b. Sometimes I feel that I don't have enough control over the direction my life is taking.
- 29.
 - a. Most of the time I can't understand why politicians behave they way they do.
 - b. In the long run the people are responsible for bad government on a national as well as on a local level.

APPENDIX E: Self-Efficacy Scale

Think about your ability to do the tasks required by your job. When answering the following questions, answer in reference to your own personal work skills and ability to perform your job. Please use the following scale to indicate the degree to which you agree or disagree with each statement. Please circle the number which best represents your answer.

SA = STRONGLY AGREE
A = AGREE
AS = AGREE SOMEWHAT
DS = DISAGREE SOMEWHAT
D = DISAGREE
SD = STRONGLY DISAGREE

- SA A AS DS D SD I have confidence in my ability to do my job.
- SA A AS DS D SD There are some tasks required by my job that I cannot do well.
- SA A AS DS D SD When my performance is poor, it is due to my lack of ability.
- SA A AS DS D SD I doubt my ability to do my job.
- SA A AS DS D SD I have the skills needed to perform my job very well.
- SA A AS DS D SD Most people in my line of work can do this job better than I can.
- SA A AS DS D SD I am an expert at my job.
- SA A AS DS D SD My future in this job is limited because of my lack of skills.
- SA A AS DS D SD I am very proud of my job skills and abilities.
- SA A AS DS D SD I feel threatened when others watch me work.

APPENDIX F: Tables

Table I. Means, Standard Deviations, and Reliabilities of Job Insecurity Dimensions, Individual Differences, and Perceptions/Actual Change

<u>Variables</u>	<u>Means</u>	<u>Std. Deviations</u>	<u>Reliabilities</u>
1. Job Feature Scale	2.43	.75	.93
2. Total Job Scale	1.91	.71	.83
3. Powerlessness Scale	2.86	.88	.81
4. Tolerance for Ambiguity	.46	.18	.70
5. Locus of Control	1.48	.09	.71
6. Self-Efficacy	2.18	.66	.82
7. Perceptions of Change	6.67	2.19	-
8. Actual Change	6.50	1.68	-

Table II. Correlations of Job Dimensions, Individual Differences and Perception/Actual Change

Variable	1	2	3	4	5	6	7	8
1. Job Feature Scale	-	.43**	.44**	-.07	.11	.20**	.21*	.15
2. Total Job Scale	-	-	-.30**	.02	.08	.21**	.21**	.13
3. Powerlessness Scale	-	-	-	.08	-.27**	-.16*	-.22**	-.14
4. Tolerance for Ambiguity	-	-	-	-	-.21**	-.17*	.03	.16*
5. Locus of Control	-	-	-	-	-	.17*	-.12	-.11
6. Self-Efficacy	-	-	-	-	-	-	-.01	-.00
7. Perceptions of Change	-	-	-	-	-	-	-	.32**
8. Actual Change	-	-	-	-	-	-	-	-

Note: * = $p < .05$, ** = $p < .01$

Table III. Results of Moderated Regressions Computed Using the Job Insecurity Scales as the Criterion and Individual Differences and Perception of Change as the Predictors.

Variable	Standard Beta-Step 1	R²-Step 1	R²_{CHG}-Step 2
1. Tolerance for Ambiguity			
A. Dep = Job Feature Scale			
Block 1: perception of chg tolerance for amb.	.21* -.08	.05*	
Block 2: Interaction			.003
B. Dep = Total Job Scale			
Block 1: perception of chg tolerance for amb.	.21** -.02	.05*	
Block 2: Interaction			.000
C. Powerlessness Scale			
Block 1: perception of chg tolerance for amb.	-.22** .08	.05*	
Block 2: Interaction			.000
2. Locus of Control			
A. Job Feature Scale			
Block 1: perception of chg locus of control	.22** .16	.07**	
Block 2: Interaction			.001
B. Total Job Scale			
Block 1: perception of chg locus of control	.23** .18*	.08*	
Block 2: Interaction			.002
C. Powerlessness Scale			
Block 1: perception of chg locus of control	-.25** -.32***	.15***	
Block 2: Interaction			.003

Note: * = $p < .05$, ** = $p < .01$,
*** = $p < .001$

Table III. continued

Variable	Standard Beta-Step 1	R²-Step 1	R²_{CHG}-Step 2
3. Self-Efficacy			
A. Job Feature Scale			
Block 1: perception of chg self-efficacy	.03** .09**	.10**	
Block 2: Interaction			.000
B. Total Job Scale			
Block 1: perception of chg self-efficacy	.21** .32***	.15***	
Block 2: Interaction			.001
C. Powerlessness Scale			
Block 1: perception of chg self-efficacy	-.22** -.16*	.07**	
Block 2: Interaction			.004

Note: * = $p < .05$, ** = $p < .01$,
*** = $p < .001$

Table IV. Results of Moderated Regressions Computed Using the Job Insecurity Scales as the Criterion and Individual Differences and Actual Change as the Predictors.

Variable	Standard Beta-Step 1	R²-Step 1	R²_{CHG}-Step 2
1. Tolerance for Ambiguity			
A. Dep = Job Feature Scale			
Block 1: actual change tolerance for amb.	.16* -.10	.03	
Block 2: Interaction			.02
B. Dep = Total Job Scale			
Block 1: actual change tolerance for amb.	.13 .00	.02	
Block 2: Interaction			.004
C. Powerlessness Scale			
Block 1: actual change tolerance for amb.	-.15* .11	.03	
Block 2: Interaction			.000
2. Locus of Control			
A. Job Feature Scale			
Block 1: actual change locus of control	.16* .13	.04*	
Block 2: Interaction			.000
B. Total Job Scale			
Block 1: actual change locus of control	.14 .10	.03	
Block 2: Interaction			.001
C. Powerlessness Scale			
Block 1: actual change locus of control	-.17* -.30***	.10***	
Block 2: Interaction			.001

Note: * = $p < .05$, ** = $p < .01$,
*** = $p < .001$

Table IV. continued

Variable	Standard Beta-Step 1	R²-Step 1	R²_{CHG}-Step 2
3. Self-Efficacy			
A. Job Feature Scale			
Block 1: actual change self-efficacy	.15* .20**	.06**	
Block 2: Interaction			.005
B. Total Job Scale			
Block 1: actual change self-efficacy	.13 .21**	.06***	
Block 2: Interaction			.005
C. Powerlessness Scale			
Block 1: actual change self-efficacy	-.13 -.16*	.05*	
Block 2: Interaction			.005

Note: * = $p < .05$, ** = $p < .01$,
*** = $p < .001$

Table V. Last Step in Stepwise Regressions Using Specific Factors Related to Change.

Dependent Variable	R²	Variables in Equation	Betas
1. Perception of Change	.18***	a. Policies altered	.28**
		b. Terminations	.23**
2. Job Feature Scale	.20***	a. Demotions	.18*
		b. Hostility	.27***
		c. Policies altered	.16*
3. Total Job Scale	.20***	a. Salary/benefits	.19**
		b. Terminations	.22**
		c. Hostility	.23***
4. Powerlessness Scale	.11***	a. Co-workers	.17
		b. Hostility	-.30
5. Tolerance for Ambiguity	.07**	a. Terminations	.21**
		b. Hostility	-.21**
6. Actual Change	.04*	a. Policies altered	.21*
7. Self-Efficacy	-	-	-
8. Locus of Control	-	-	-

Note: * = $p < .05$, ** = $p < .01$,
 *** = $p < .001$

Table VI. Additional Analyses. Correlations With Specific Factors Related to Change, Job Insecurity Dimensions, and Perception/Actual Change.

<u>Variable</u>	<u>Job Feature</u>	<u>Total Job</u>	<u>Powerlessness</u>	<u>Perception of Chg</u>	<u>Actual Chg</u>
demotions	.29**	.28**	-.07	.29**	.05
terminations	.19*	.31**	-.12	.35**	.16*
transfers	.23**	.21**	-.15*	.22**	.03
policies altered	.29**	.20**	-.13	.37**	.21**
job duties altered	.15*	.14	.03	.23**	.07
workload	.16*	.17*	-.08	.12	.12
supervisor	.08	.06	.03	.09	-.05
co-workers	.05	-.02	.13	.05	-.10
hostility	.37**	.32**	-.28*	.17*	.02
salary/benefits	.20**	.29**	-.11	-.01	.09

Note: * = $p < .05$, ** = $p < .01$

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